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0000105975

ARIZONA CORPORATION COMMISSION

ORIGINAL

December 10, 2009

**CERTIFIED MAIL**

Mr. Robert J. Canfield, President  
Lazy C Water Service  
Post Office Box 1  
Tucson, Arizona 85745

RE: BOX 1 INC. DBA LAZY C WATER SERVICE - APPLICATION FOR A RATE INCREASE, DOCKET NO. W-01536A-09-0410

***SECOND LETTER OF DEFICIENCY***

Dear Mr. Canfield:

In reference to your rate application received on August 28, 2009, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

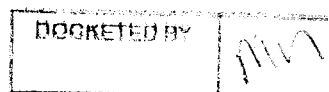
Staff found your application deficient on September 25, 2009. The information the Company submitted on November 13, 2009, did not sufficiently or completely address some of the deficiencies. The continued deficiencies are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until December 26, 2009, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

Arizona Corporation Commission

**DOCKETED**

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AZ CORP COMMISSION  
DOCKET CONTROL

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Second Letter of Deficiency

December 10, 2009

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The Staff person assigned to your application is Crystal S. Brown. She can be reached at (602) 542-0864, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Scott".

Nancy Scott

Chief Accountant

Financial & Regulatory Analysis Section

Utilities Division

NS:CSB:kdh

CC: Docket Control Center (sixteen copies)  
Lyn Farmer, Hearing Division  
Delbert Smith, Engineering  
Consumer Services  
Legal Division

**LAZY C WATER SERVICE**  
**DOCKET NO. W-01536A-09-0410**

**LIST OF DEFICIENCIES**

1. Bill Count for 5/8-inch x 3/4-inch meter customers (Pages 27 through 31 of Application) – Thank you for the information provided. However, based on the billing determinants received on August 28, 2009, Staff calculates \$81,372 in revenue for the 5/8" x 3/4" meter. Further, the sum of the water sold by customer class you provided on November 13, 2009, equals \$79,727.38 for the 5/8-inch x 3/4-inch meter customers, a difference of \$1,644.98 (i.e., \$81,372 - \$79,727.38). Please provide a reconciliation.
2. Total Revenue – The water sold by customer class you provided on November 13, 2009, was as follows:

	Sales By Customer Class	Difference	Per Application Income Statement
5/8" x 3/4" meter	\$ 79,727.38		
1" meter	\$ 23,340.75		
1 1/2" meter	\$ 792.16		
Total Metered Sales	\$103,860.38	\$1,806.38	\$102,054.00

Please provide a reconciliation.

3. 2004 Plant Additions (Page 13 of Application) – Please provide invoices to support the \$4,310 amount for the 2004 plant additions listed on page 13 of your Application.
4. 2006 Plant Additions (Page 13 of Application) – Thank you for the information provided. However, the cost of the 2006 plant additions reported on page 13 of the application is \$25,020 and the invoices provided total only \$22,093, a difference of \$2,297 Please provide the additional invoices. Also, please provide each page of each invoice for all invoices, including the invoices previously provided.
5. 2007 Plant Additions (Page 13 of Application) – Thank you for the information provided. However, the cost of the 2007 plant additions reported on page 13 of the Application is \$24,098 and the invoices provided total only \$20,646 a difference of \$3,452 Please provide the additional invoices. Also, please provide each page of each invoice for all invoices, including the invoices previously provided.